

Introduced by: Councilmember Elrich

First Reading: 25 September 2006

Second Reading: 9 October 2006

Effective Date: 30 October 2006

CITY OF TAKOMA PARK

ORDINANCE NO. 2006-44

(An Ordinance Authorizing the City to Enter Into an Agreement with Montgomery Housing Partnership, Inc. for a Payment in Lieu of Taxes for the Property at 641 Houston Avenue)

WHEREAS, Montgomery Housing Partnership, Inc., a nonprofit corporation will be purchasing 641 Houston Avenue, Takoma Park, Maryland; and

WHEREAS, the property currently provide affordable housing to residents with low and moderate incomes; and

WHEREAS, the Council supports the provision and protection of affordable housing in the City; and

WHEREAS, in order to ensure that Montgomery Housing Partnership, Inc. continues to serve low and moderate income residents, Montgomery Housing Partnership, Inc. will agree with the City that at least 50% of the apartments rented at the property will be occupied by low or moderate income households; and

WHEREAS, under Section 7-503(a) of the Tax-Property Article of the Annotated Code of Maryland, a nonprofit tax-exempt corporation that operates or manages rental housing that serves low-income households may be eligible under certain conditions to make a payment in lieu of taxes ("PILOT") on the real property; and

WHEREAS, Montgomery Housing Partnership, Inc. has represented that it qualifies under the provisions of Section 7-503 to enter into an agreement with the City to pay a negotiated amount in lieu of City real property taxes; and

WHEREAS, Montgomery Housing Partnership, Inc. has requested PILOT Agreement with the City that would provide for a full abatement of local property taxes for 641 Houston Avenue for an initial five year period, a 75% abatement in the following three years, and a 50% abatement for the final two years of the ten year agreement; and

WHEREAS, the Council finds that this PILOT Agreement with Montgomery Housing Partnership, Inc. serves a public purpose and promotes the peace, health, and general welfare of the City and its residents by preserving affordable housing for residents with low and moderate incomes.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THAT the Council approves a Payment in Lieu of Taxes (“PILOT”) Agreement with Montgomery Housing Partnership, Inc. for the property at 641 Houston Avenue as follows:

A. For the first five levy years following acquisition of 641 Houston Avenue, Montgomery Housing Partnership, Inc. shall have a full abatement of real property taxes paid to the City; a 75% abatement of real property taxes paid to the City for the following three levy years; and a 50% abatement of real property taxes paid to the City for the final two levy years of the PILOT Agreement, and

B. A minimum of 50% of the units at 641 Houston Avenue shall be occupied by low or moderate income households (*i.e.*, households with incomes less than 80% of the Montgomery County median household income).

C. The tax abatement shall be effective on the later of July 1, 2007, or the beginning of the first tax levy year following acquisition of the property at 641 Houston Avenue by Montgomery Housing Partnership, Inc.

The City Manager is authorized to enter into a PILOT Agreement on behalf of the City with Montgomery Housing Partnership, Inc., under the provisions of Section 7-503(a) of the Tax-Property Article of the Annotated Code of Maryland, for the property at 641 Houston Avenue, Takoma Park, Maryland and to take such actions and execute such documents as are necessary in order to carry out the purposes of this Ordinance.

Adopted this 9th day of October, 2006, by roll-call vote as follows:

Aye: Porter, Austin-Lane, Barry, Clay, Elrich, Seamens, Williams

Nay: None

Absent: None

Abstain: None